

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7263

BILL NUMBER: HB 1240

NOTE PREPARED: Jan 6, 2003

BILL AMENDED:

SUBJECT: Insurance for Volunteer EMTs.

FIRST AUTHOR: Rep. Young D

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires a county, municipality, or township that uses an ambulance service department or association to purchase a policy of insurance to cover each volunteer emergency medical technician (EMT) who is a member of the department or association.

Effective Date: January 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill requires local units of government that use an ambulance service company to provide insurance coverage for volunteer EMTs. Current law already provides that volunteer firefighters and EMTs working in a volunteer capacity for a volunteer fire department or ambulance company are to be covered by the medical treatment and burial expense provisions of the Worker's Compensation Law and the Worker's Occupational Diseases Law.

The policy benefit requirements specified in the bill are similar to the required insurance coverage currently afforded volunteer firefighters. The insurance coverage required is:

- Total disability coverage - payments of \$250 per week for 260 weeks
- Medical expense coverage - not to be less than \$75,000
- Death benefit of \$150,000
- Total and permanent disability coverage - payment of \$150,000
- Partial disability coverage - proportional rate of \$150,000

The minimum level of coverage required by the bill is estimated to cost between \$2,800 and \$5,000 per year per unit purchasing such group coverage, depending upon department size. This estimate is based on the cost of similar coverage provided volunteer firefighters. As a result, the actual cost of coverage for volunteer EMTs could potentially vary from the estimated range due to differences in risk and claims experience. In addition, many volunteer EMTs could be included in the blanket policies currently held by their respective towns or fire departments; or purchased by these entities in the future. Thus, the total cost may be lower than estimated.

Currently, there are about 13,663 EMTs and 1,354 Advanced EMTs throughout the state. Approximately 6,400 are thought to be volunteers. The cost of the policy benefit requirements specified in the bill that may be over and above what is currently provided to EMTs is not known and depends on the circumstances in the specific ambulance service companies providing services to local units of governments.

Total cost to local units of government is unknown and is contingent upon whether the unit currently provides these benefits and, if so, whether the benefits meet or exceed the minimums set in this bill.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Counties, Municipalities, and Townships.

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